



## GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture

May 26, 1998

**Preparations Being Made For Fall Harvest.** A June 12, 1998 meeting is scheduled in West Des Moines, Iowa between agriculture and grain industry officials and the Union Pacific Railroad. This meeting is designed to address several rail-related problems, most notably car shortages, prior to the upcoming harvest. Agricultural officials have voiced concern that the possibility of car shortages could prove overly disruptive this fall. Current grain markets are encouraging grain storage, and Iowa is forecasting higher than normal carryover stocks. Senator Charles Grassley, R-Iowa said, "There's a lot of grain that's not moving to market because prices are lower than what farmers expected." Higher stocks coupled with rail service disruptions would further depress local grain prices. One purpose of the meeting will be to push Union Pacific to meet its shipping commitment throughout the Midwest. (AP)

**Central Kansas Railway Proposes Surcharge.** State officials have scheduled a meeting of grain elevator operators and the Central Kansas Railway on June 3 to discuss the railroad's proposed surcharge on some lines. Elevator managers say that the surcharge, which would take effect just before this year's wheat harvest, would make the railroad too expensive to use. The surcharge of \$750 per car would apply to 160 miles of track west of Wichita. The fee would add about 23 cents per bushel to the cost of shipping wheat into the Wichita and Hutchinson markets. Elevator operators fear that the surcharge is the first step toward abandoning the tracks. (Knight Ridder/Tribune Business News)

**Construction Underway For Brazilian Rail Line.** Brazilian soybean producers appear poised to increase their competitive stance in the world market as construction of the Ferronorte railway begins. The construction of approximately 3,100 miles of track in central Brazil will allow growers from the rich growing region of Mato Grosso the opportunity to connect with Fepasa, the government-run rail system, which feeds the port area of Santos. When completed, it will possibly be the world's largest railroad. The project will include a 1.8 mile bridge over the Parana River, which had historically been a formidable obstacle for inland transportation. The State of Mato Grosso currently produces less than 10% of Brazil's soybeans. Some experts, however, claim that this production could be doubled or tripled if an efficient and economical railroad were developed as an alternative to the current infrastructure. The majority of beans from this area are currently trucked roughly 1,250 miles over bad roads at great expense. This reduces farm profits and production incentives, resulting in a significant amount of arable land being kept out of production. In addition to the future rail line, Brazil's agricultural presence in the world market will be strengthened by factors such as its year-around growing season, plentiful land and water, and low-cost labor. (Journal of Commerce, WorldPaper online, USDA)

**UP Crew Shortages.** After months of long hours and irregular schedules, it appears that train crew workers for the Union Pacific Railroad are opting out of working weekends on several key routes. Problems of insufficient crew staffing are taking place on the West Coast, in Texas, and in the Central corridor, which includes Wyoming and Nebraska. (Journal of Commerce)

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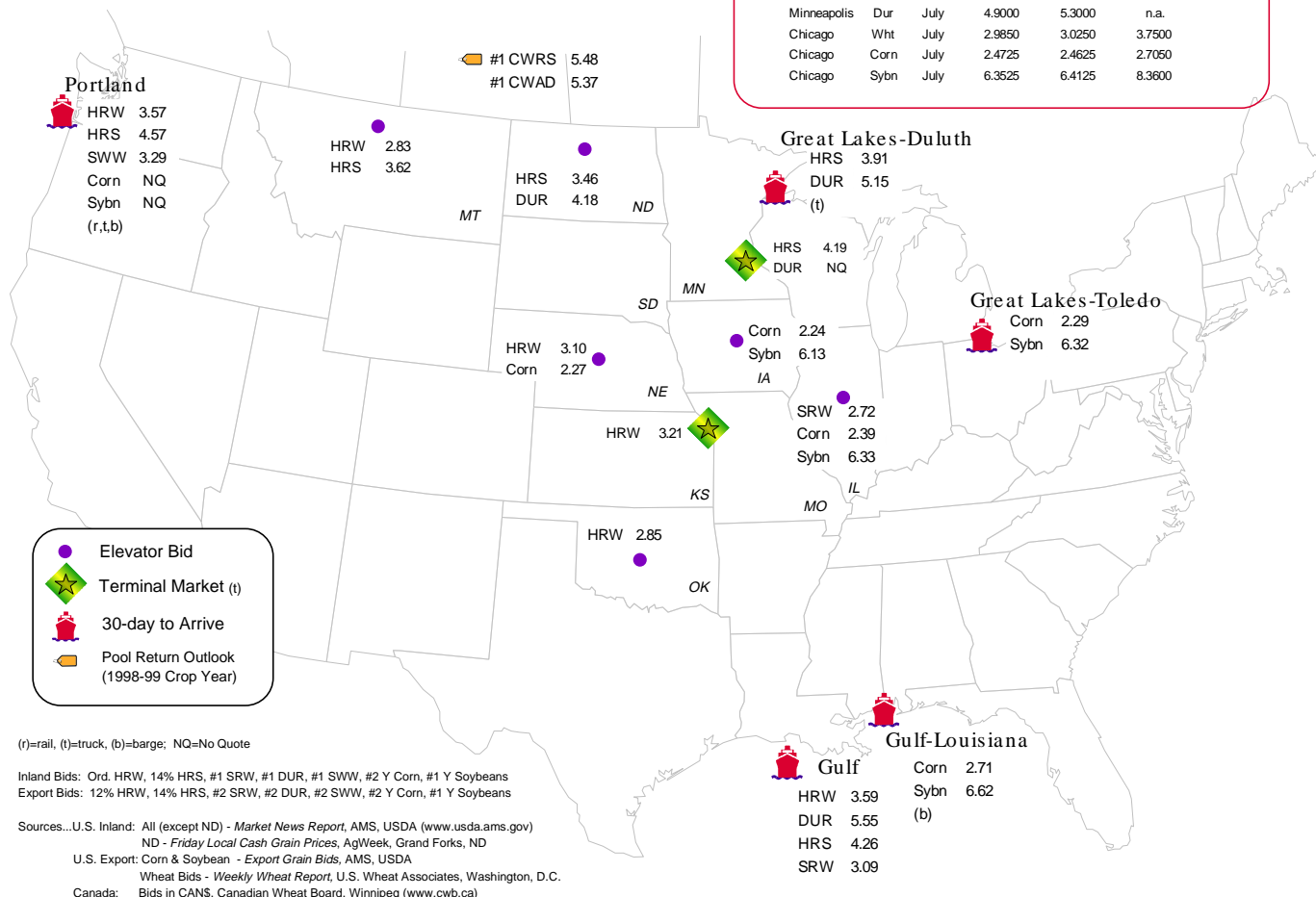
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## Grain Bid Summary



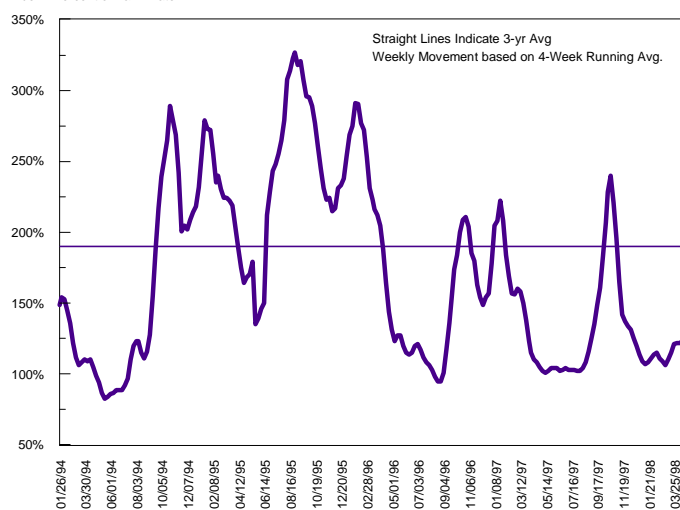
### Futures:

			05/22/98	Week Ago 05/15/98	Year Ago 05/23/97
Kansas City	Wht	July	3.2100	3.2275	4.0050
Minneapolis	Wht	July	3.6275	3.6350	3.9400
Minneapolis	Dur	July	4.9000	5.3000	n.a.
Chicago	Wht	July	2.9850	3.0250	3.7500
Chicago	Corn	July	2.4725	2.4625	2.7050
Chicago	Sybn	July	6.3525	6.4125	8.3600

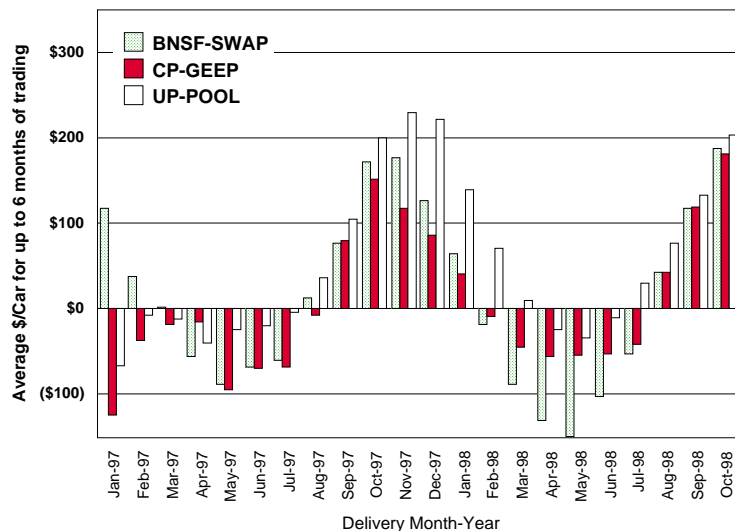


## Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



## Secondary Rail Market Bids



See the Grain Trax page at [www.ugpti.org](http://www.ugpti.org) for more graphs of rail premiums.

Rail Car 'Auction' Offerings				
Delivery for:	Jul-98		Sep-98	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	no offer	no offer		
<b>UP-GCAS</b>	5,400	27%	5,400	22%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

### Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jun-98	Jul-98	Aug-98	Sep-98
BNSF-COT	\$(10)	\$38	\$86	\$187
CP-GEEP	\$(17)	\$(22)	\$58	\$158
UP-Pool	\$13	\$103	\$122	\$157

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

### Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jul-98	Sep-98	Oct-98
COT/N. Grain	\$37	\$204	no offer
COT/S. Grain	\$32	\$198	no offer
GCAS/Region 2	\$7	\$13	no offer
GCAS/Region 4	\$73	\$127	no offer

Source: T&M/AMS USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com).  
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

### Southbound Barge Freight Nominal Values\*

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
5/22/98	Upper Miss.	twk	150
	Mid Miss.	nwk	125
		September	162.5
	Illinois River	twk	110-115
	St. Louis.	twk	95
	Ohio River	twk	90
	Lower Ohio	twk	100-125

\*Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

twk=this week

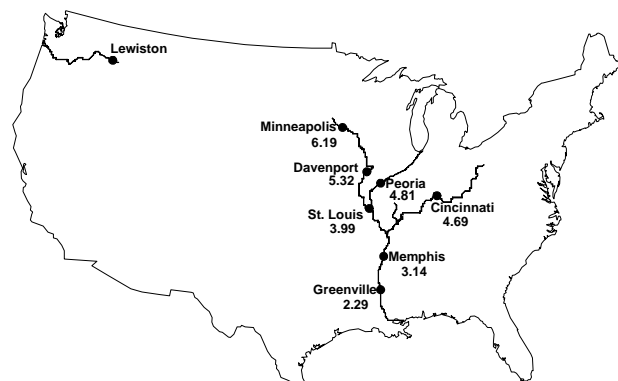
nwk=next week

### Southbound Barge Freight Spot Rates

	5/20/98	5/14/98	June '98	August '98
Twin Cities	145	145	142	152
Mid-Mississippi	123	125	118	126
Illinois River	113	122	108	118
St. Louis-Cairo	96	98	90	105
Lower Ohio	98	100	97	115
Cairo-Memphis	93	92	92	103

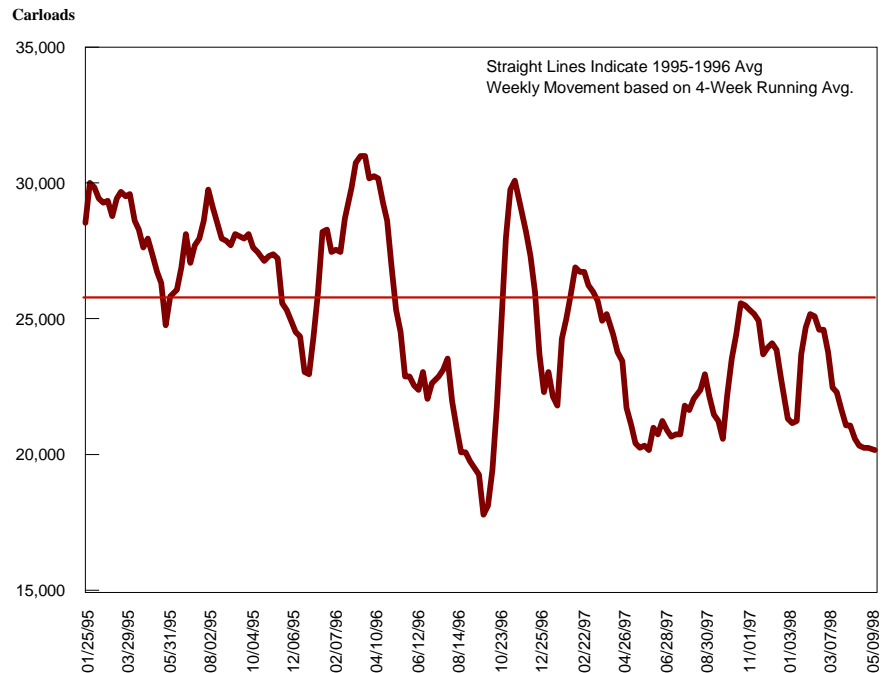
Source: Transportation & Marketing /AMS/USDA  
nq- no quote

**Barge Benchmark Tariff Rates**  
Est. 1976 - 'Tariff No. 7'



## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
5/2/98	20,676
5/9/98	19,183
5/16/98	20,348
Year to Date - 1998	425,969
Year to Date - 1997	463,959
Total 1997	1,199,995
Total 1996	1,235,123
Source: American Association of Railroads	



## Class I Rail Carrier Grain Car Bulletin

## Carloads

	Conrail	CSXT	East		West			Canada	
			IC	NS	BNSF	KCS	UP	CN	CP
05/16/98	476	2,208	1,721	2,543	6,776	705	5,919	2,145	3,145
This Week Last Year	464	2,192	1,602	1,913	6,787	695	6,596	3,746	4,646
1998 YTD	13,292	46,358	26,124	48,782	157,461	12,728	121,224	49,921	81,387
1997 YTD	9,842	46,269	31,449	47,317	156,374	13,040	156,422	54,777	86,085
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786		

Source: American Association of Railroads

## Tariff Rail Rates for Unit Train Shipments

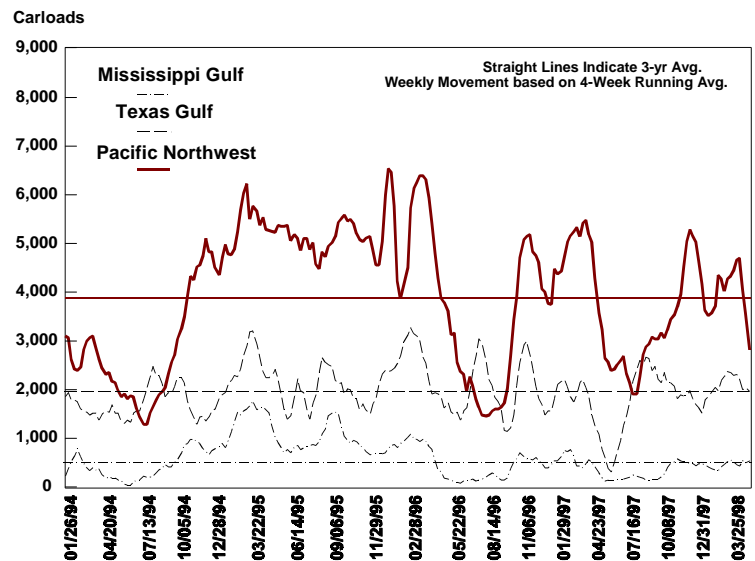
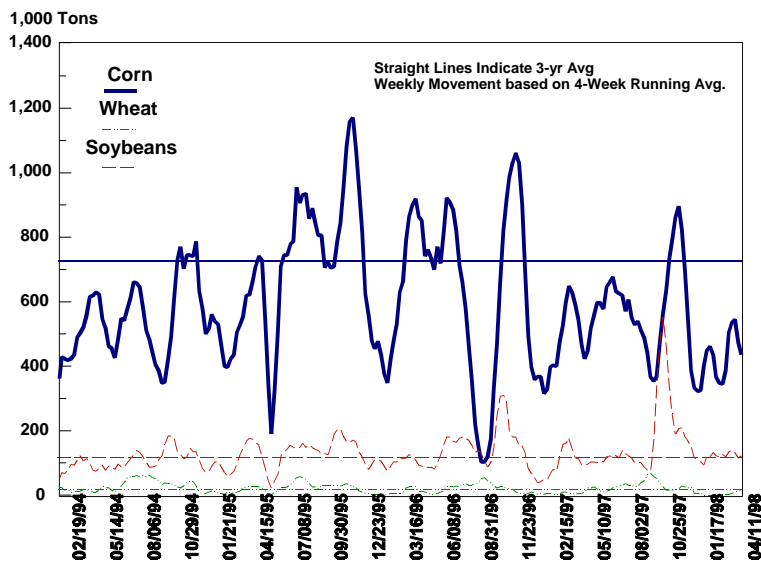
## May 1998

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/01/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$18.60	\$0.62
05/01/98	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,027	\$36.54	\$1.21
05/01/98	46540	Wheat	Kansas City, MO	Houston, TX	\$1,350	\$12.25	\$0.41
05/01/98	43586	Wheat	Kansas City, MO	Portland, OR	\$3,812	\$34.59	\$1.14
05/01/98	43581	Wheat	Omaha, NE	Portland, OR	\$3,505	\$31.81	\$1.05
05/01/98	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
05/01/98	33111	Corn	Kansas City, MO	Houston, TX	\$1,450	\$11.57	\$0.41
05/01/98	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$20.75	\$0.73
05/01/98	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
05/01/98	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,080	\$27.95	\$0.92
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

<b>Rail Deliveries to Port</b>				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
04/29/98	163	1,293	1,797	78
05/06/98	135	2,092	2,193	31
05/13/98	179	1,544	1,974	255
YTD 1998	8,214	38,029	63,226	5,495
YTD 1997	9,462	32,030	87,196	2,886
Total 1997	20,152	93,265	195,953	9,147
Total 1996	25,899	113,804	199,709	11,304
Source: Transportation & Marketing/AMS/USDA				

**Rail Deliveries to Port****Barge Movements - Locks 27****Barge Grain Movements**

for week ending 05/16/98

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	288	66	54	412
Winfield, MO (L25)	382	74	80	539
Alton, IL (L26)	504	75	111	693
Granite City, IL (L27)	515	78	138	734
Illinois River (L8)	130	0	28	159
Ohio (L52)	9	2	8	71
Arkansas (L1)	0	23	5	27
1998 YTD	9,046	658	3,163	14,355
1997 YTD	10,067	534	2,793	15,087
Total 1997	29,685	2,689	9,584	45,315
Total 1996	34,210	2,348	8,297	48,963

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

**U.S. Export Balances\*** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
05/14/98	948	207	1,160	428	201	2,903	6,047	1,632	10,582
This Week Year Ago	1,312	181	892	667	299	3,351	7,998	3,505	14,854
<u>Cumulative Exports-Crop Year</u>									
97/98 YTD	9,372	4,660	5,909	5,280	1,191	26,411	25,853	21,973	74,237
96/97 YTD	7,255	3,612	7,644	5,870	955	25,335	33,513	21,329	80,177
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236
94/95 Total	10,157	5,453	7,686	5,837	893	30,026	54,742	23,410	108,178

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn &amp; Soybeans=9/01-8/31

**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
05/21/98	249	134	0	62	467	77	199	2	14
1998 YTD **	3,889	2,791	363	2,204	10,207	6,796	2,333	174	494
1997 YTD **	4,621	4,992	873	1,460	11,902	7,929	1,005	916	422
% of Last Year	84%	56%	42%	151%	86%	86%	232%	19%	117%
1997 Total	11,156	9,728	1,764	6,349	28,183	18,658	5,106	1,001	1,014

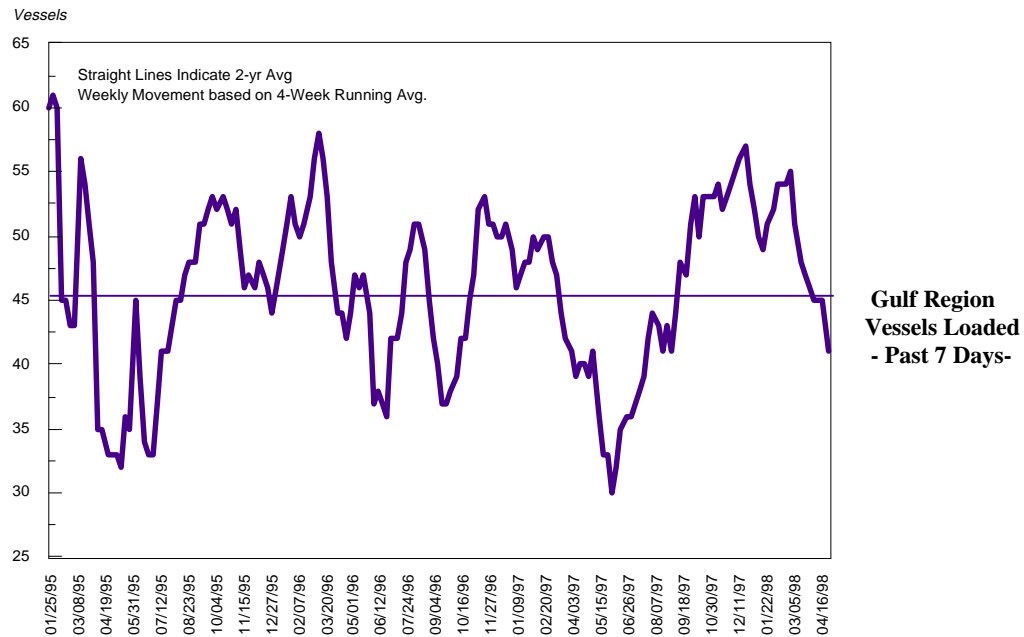
Source: Federal Grain Inspection Service \*Year Ago-This Week a Year Ago \*\* YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 05/21/98			
Vancouver	5,546	990	955
Prince Rupert	3,475	30	340
Prairie Direct	923	326	383
Thunder Bay	394	287	284
St. Lawrence	3,234	1,738	8
1997 YTD Exports	13,572	3,371	1,970
1996 YTD Exports	10,868	3,111	2,784
% of Last Year	125%	108%	71%

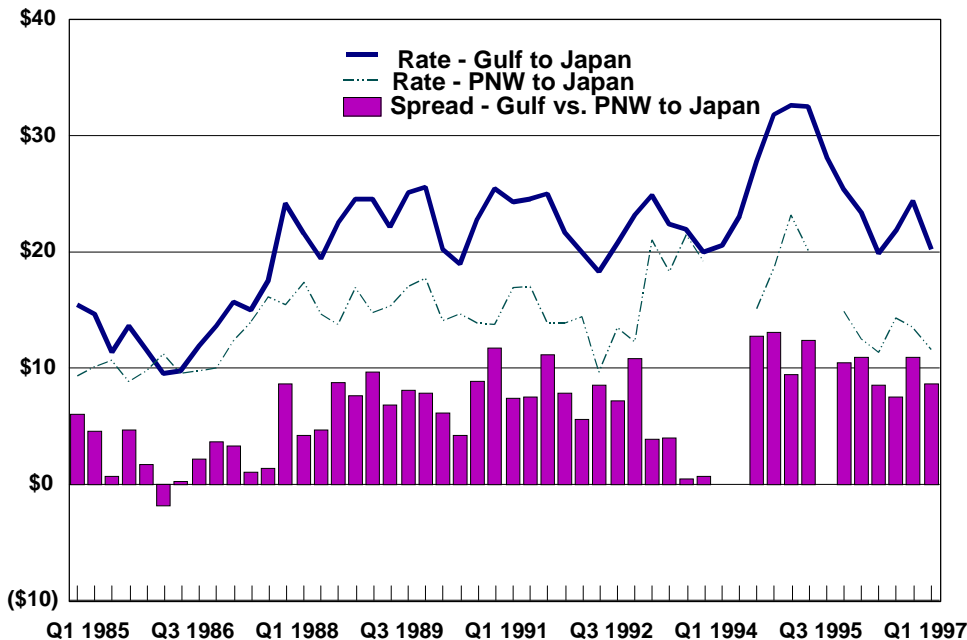
Source: Canadian Grains Commission \*Year Ago-This Week a Year Ago \*\*  
YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
05/14/98	33	42	50	13			8	10	1
05/21/98	26	45	40	10			n/a	n/a	n/a
1996 Range	(17..46)	(38..61)	(27..88)						
1995 Range	(11..67)	(22..64)	(31..90)						
1996 Avg	37	46	62						
1995 Avg	31	45	60						
1995 Avg	31	46	61						

Source: Transportation & Marketing /AMS/ USDA

US\$/Metric Ton

Quarterly Ocean  
Freight Rates**Quarterly Ocean Freight Rates**

Weighted Average Rates &amp; Vessel Size, U.S. Dollars/Metric Ton - Basis

	1998 1 <sup>st</sup> Qtr	1997 1 <sup>st</sup> Qtr	% Change		1998 1 <sup>st</sup> Qtr	1997 1 <sup>st</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$18.24	\$25.29	-28%	Japan	\$10.08	\$15.08	-33%
Mexico	\$12.15	\$17.99	-32%	Red Sea/ Arabian Sea		\$20.17	
Venezuela	\$11.13	\$16.73	-33%				
N. Europe	\$9.85	\$12.60	-22%	<b>Argentina to</b>			
N. Africa	\$14.65	\$18.84	-22%	N. Europe	\$12.32	\$17.98	-31%
				Japan	\$20.93	\$33.64	-38%

Source: Transportation &amp; Marketing/AMS/USDA

**Ocean Freight Rates**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Japan	Heavy Grains	June	38,000-54,000	\$16.50-17.25
Gulf	Taiwan	Heavy Grains	May/June	57,000	\$15.50
Gulf	Algeria	Wheat	Spot	25,000	\$16.75
Tampa	Amsterdam	Grains	May	31,500	\$11.00
Paranagua	Lisbon/Hamburg	Grains	Prompt	50,000	\$11.25
So. Brazil	Lisbon/Hamburg	Grains	May	50,000	\$10.50
Brazil	China	Heavy Grains	May/June	55,000	\$16.70
River Plate	Spain	Grains	June	30,000	\$16.25
River Plate	W. Italy	Grains	May	20,000	\$23.25
River Plate	Japan	Heavy Grains	June	54,000-64,000	\$17.50-18.00

Source: Maritime Research Inc.